Saskatchewan
Finance

Annual Report 1999-2000

The Members of The Legislative Assembly Superannuation Plan

TABLE OF CONTENTS

Letter of Transmittal 2
Background 3
Operation of the Plan 3
Contributions 3
Pensions 3
Investment of Funds 3
Cash Flow Forecast 4
Administration 4
Management's Report 5
Financial Statements
- Auditor's Report 8
- Statement of Net Assets Available for Benefits 9
- Statement of Changes in Net Assets Available for Benefits 10
- Notes to the Financial Statements 11

Schedule of Investment Transactions 19

Saskatchewan
Finance

Her Honour, The Honourable Dr. Lynda M. Haverstock
Lieutenant Governor of the Province of Saskatchewan
Government House
4607 Dewdney Avenue
Regina, Saskatchewan
S4P 3V7

Dear Madam:

Letter of Transmittal

I have the honour to transmit herewith the Annual Report of the Members of the Legislative Assembly Superannuation Plan for the year ending March 31, 2000.

I have the honour to be, Madam,

Your obedient servant,

Eric Cline
Minister of Finance

BACKGROUND

The Members of the Legislative Assembly Superannuation Plan was created to provide a pension to individuals who are elected and provide service to the Province of Saskatchewan as Members of the Legislative Assembly.

The Plan is comprised of two pension plans: a Defined Benefit (formula) Plan for members who were first elected prior to April 1, 1979, and a Defined Contribution Plan for those members first elected on or after April 1, 1979.

Members of the Defined Benefit Plan may elect to transfer to the Defined Contribution Plan at any time prior to the expiration of the thirtieth day after the last return of the writ of election in the general election following the date on which they ceased to be members.

OPERATION OF THE PLAN

The Plan is credited with contributions and interest paid by members and former members, interest earned and any other revenue accruing from the investment of monies in the Plan, and such amounts paid by the Minister of Finance as may be required to make it possible at all times to pay the allowances granted pursuant to *The Members of the Legislative Assembly Superannuation Act*. Payments are made out of the Plan for pensions, annuities, supplementary allowances and refunds of contributions. As a matter of course, the acquisition and disposition of the various assets of the Plan results in the payment of monies out of and receipt of monies into the Plan.

CONTRIBUTIONS

Members are required to contribute 9% of their indemnity and expense allowance to the Plan. As well, members with additional responsibilities contribute 9% of their additional allowance. The General Revenue Fund matches the members' contributions and is required by the Act to make certain additional contributions to the Plan.

Contributions by members for the year ended March 31, 2000 totalled $455,913. In 1999-2000 there was 1 contributor to the Defined Benefit Plan and 57 contributors to the Defined Contribution Plan.

PENSIONS

The Plan paid pensions to 118 former members and spouses of former members throughout the year. Pensions under the Defined Benefit Plan were based on a formula which included years of service and an average salary figure for some portion of that service. Pensions under the Defined Contribution Plan were provided in the form of a life annuity purchased with the amount standing to the member's credit in the Plan at retirement. Pensions may also have included a supplementary allowance paid in accordance with the Act. Pensions for the year totalled $2,309,035.

INVESTMENT OF FUNDS

The Minister of Finance is responsible for holding in trust and investing the monies in the Plan. The Minister has retained Greystone Capital Management Inc. to be the investment manager.

The investment managers make the day-to-day decision of whether to buy or sell specific investments in order to achieve the long term investment performance objectives set by the Minister. It is these long term investment performance objectives that are used to assess the performance of the investment managers.

The primary long term investment performance objective for the entire portfolio is to outperform a benchmark portfolio constructed as follows:

Asset Class	Market Index	Weight
Canadian Equities	Toronto Stock Exchange 300 Index	30%
US Equities	Standard & Poors 500 US Stock Index	10%
Bonds	ScotiaMcLeod Universe Bond Index	45%
Short Term Inv.	91 Day Canadian Treasury Bills	5%
Non-North Amer.	EAFE	10%
Total:		100%

On behalf of the Minister, the Public Employees Benefits Agency reviews the investment performance of the fund in terms of the

performance of the benchmark portfolio over rolling four year periods. For the four years ending March 31, 2000 the fund had an annualized gross rate of return of 15.1%. The investment objective (the return of the benchmark portfolio) was 14.3%.

The Minister has retained Royal Trust as the custodian of the Plan. The custodian is responsible for custody of all financial assets of the Fund (in the name of the Members of the Legislative Assembly Superannuation Plan). The custodian settles all investment transactions. The custodian also ensures that investment income (ie. dividends, interest) is collected and provides financial statements for all investment transactions.

The Public Employes Benefits Agency engages the services of an asset consultant to provide advice on the overall management of the Plan's investments and on the measurement of the Plan's performance. James P. Marshall, Inc. provides this service.

CASH FLOW FORECAST

The total cash inflow is the amount of contributions and investment income expected to be received by the pension plan. The total cash outflows is the amount required to pay all pension obligations. Forecast of cash inflows and outflows have been determined using the following long term assumptions:

Interest rate	6.25%
Inflation	3.25%
Ad hoc increases	100% of CPI

The cash required is the amount by which the cash outflows exceed cash inflows and is forecast to the year 2025. Cash inflows data has been provided by the Public Employees Benefits Agency. Estimates based on current contributions and 1.36% increase per year to the year 2000 when the contribution will be capped.

Year	Cash Inflows (000's)	Cash Outflows (000's)	Cash Required (000's)
2000	$ 2	$ 2,026	$ 2,024
2001	0	2,048	2,048
2002	0	2,066	2,066
2003	0	2,080	2,080
2004	0	2,089	2,089
Total within 5 years	2	10,309	10,307
Total 5-10 years	0	10,394	10,394
Total 11-26 years	0	26,447	26,447

ADMINISTRATION

Expenses of administering the Saskatchewan Legislative Assembly Members Superannuation Plan are charged to the Plan.

Administration of the plan is presently assigned to the Public Employees Benefits Agency of the Department of Finance.

MANAGEMENTS' REPORT

To the Members of the Legislative Assembly of Saskatchewan

Administration of the Plan is presently assigned to the Public Employees Benefits Agency of the Department of Finance. Management is responsible for financial administration, administration of the funds and managing of assets.

The financial statements which follow have been prepared by management in conformity with accounting principles generally accepted in Canada. Management uses internal controls and exercises its best judgement in order that the financial statements reflect fairly the financial position of the Plan.

The present value of annuities is determined by an actuarial valuation. Actuarial valuation reports require best estimate assumptions about future events which require approval by management.

The financial statements have been examined by the Acting Provincial Auditor whose report follows:

Brian Smith
Executive Director
Public Employees Benefits Agency

A. Mackrill

Ann Mackrill
Director, Pension Programs
Public Employees Benefits Agency

Regina, Saskatchewan
June 13, 2000

THE MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION PLAN

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2000

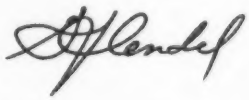
AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of net assets available for benefits of the Members of the Legislative Assembly Superannuation Plan as at March 31, 2000 and the statement of changes in net assets available for benefits for the year then ended. The Plan's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as at March 31, 2000 and the changes in the net assets available for benefits for the year then ended in accordance with generally accepted accounting principles.



Regina, Saskatchewan
June 13, 2000

Fred Wendel, CMA, CA
Acting Provincial Auditor

STATEMENT 1

THE MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

AS AT MARCH 31

	Defined Benefits	Defined Contributions	Annuities	2000 Total	1999 Total
ASSETS					
Investments (Note 3 & Schedule 1)					
Short-term	$ -	$ 1,336,383	$ 164,750	$ 1,501,133	$ 1,413,483
Bonds and debentures	-	8,865,377	965,682	9,831,059	9,232,467
Equities	-	5,353,634	583,157	5,936,791	6,837,877
Pooled funds	-	3,851,841	419,571	4,271,412	1,883,648
	-	19,407,235	2,133,160	21,540,395	19,367,475
Receivables					
Members' contributions	-	32,612	-	32,612	33,847
Minister of Finance contributions	-	139,880	-	139,880	294,855
Due from General Revenue Fund (Note 10)	-	31,438	3,424	34,862	-
Accrued investment income	-	162,982	17,753	180,735	156,895
Other	4,041	-	-	4,041	4,379
	4,041	366,912	21,177	392,130	489,976
Cash	-	4,890	533	5,423	4,970
Total assets	4,041	19,779,037	2,154,870	21,937,948	19,862,421
LIABILITIES					
Accumulated provision for annuities payable (Note 7)	-	-	1,900,000	1,900,000	1,907,000
Due to General Revenue Fund	-	-	-	-	44,198
Accounts payable	4,041	15,288	1,837	21,166	23,357
Total liabilities	4,041	15,288	1,901,837	1,921,166	1,974,555
NET ASSETS AVAILABLE FOR BENEFITS (Statement 2)	$ -	$19,763,749	$ 253,033	$20,016,782	$17,887,866

(See accompanying notes to the financial statements)

STATEMENT 2

THE MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED MARCH 31

	Defined Benefits	Defined Contributions	Annuities	2000 Total	1999 Total
INCREASE IN ASSETS					
Investment income					
Interest	$ -	$ 571,361	$ 62,237	$ 633,598	$ 638,678
Dividends	-	304,469	33,165	337,634	139,291
	-	875,830	95,402	971,232	777,969
Current period change in market values of investments	-	1,564,678	170,436	1,735,114	80,833
Contributions					
Members	8,553	447,360	-	455,913	387,341
Minister of Finance - General Revenue Fund	2,225,516	447,000	-	2,672,516	2,583,298
	2,234,069	894,360	-	3,128,429	2,970,639
Total increase in assets	2,234,069	3,334,868	265,838	5,834,775	3,829,441
DECREASE IN ASSETS					
Annual allowances	2,134,226	-	174,809	2,309,035	2,241,794
Administration expenses (Note 9)	99,843	18,065	1,968	119,876	103,117
Change in provision for annuities payable (Note 7)	-	-	(7,000)	(7,000)	(12,000)
Equity transfers out	-	1,283,948	-	1,283,948	2,091,314
Total decrease in assets	2,234,069	1,302,013	169,777	3,705,859	4,424,225
Increase (decrease) in net assets	-	2,032,855	96,061	2,128,916	(594,784)
NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	-	17,730,894	156,972	17,887,866	18,482,650
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR - to Statement 1	$ -	$19,763,749	$253,033	$20,016,782	$17,887,866

(See accompanying notes to the financial statements)

THE MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION PLAN
NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2000

1. Description of Plan

a) General

The Members of the Legislative Assembly Superannuation Plan (Plan) was established under *The Members of the Legislative Assembly Superannuation Act, 1979* (Act) to provide pensions to individuals who are elected as Members of the Legislative Assembly of the Province of Saskatchewan.

The Plan has a defined benefit component, a defined contribution component and annuity underwriting activities.

The defined benefit component consists of members who were first elected prior to April 1, 1979 and who did not elect to join the defined contribution component. These members have their superannuation allowance determined by a formula. Members first elected on or after April 1, 1979 participate in the defined contribution component. Members of the defined contribution component may elect to purchase an annuity from the Plan. The annuity underwriting activities are accounted separately within the Plan.

The Act also established the Members of the Legislative Assembly Superannuation Fund to accumulate all member contributions, investment earnings, and payments received from the General Revenue Fund.

Pensions, annuities, supplementary allowances, refunds and interest are paid out of the Fund.

The Minister of Finance is authorized to invest any part of the monies standing to the credit of the Plan in any securities authorized for investment pursuant to *The Pension Benefits Act, 1992*. Details of the Plan are contained in the Act.

b) Administration

The Minister of Finance is responsible for the Act. Day-to-day administration is provided by the Public Employees Benefits Agency.

c) Funding Policy

Members are required to contribute 9% of their indemnity and expense allowances to the Plan. As well, members with additional responsibilities contribute 9% of their additional allowance. The General Revenue Fund matches the members' contributions, and is required to make certain additional contributions to the Plan pursuant to the Act. As there are minimal assets associated with the defined benefit component, it is effectively financed through contributions from the General Revenue Fund.

d) Retirement

Members may retire as early as age 50.

The annual allowance payable to members of the defined benefit component is one twenty-fifth of the member's average indemnity and expense allowances multiplied by the member's years of pensionable service. Members with additional responsibilities receive an additional allowance

of one thirty-fifth of the member's average additional allowance multiplied by the member's years of pensionable service. Both average indemnity and average additional allowance are determined with reference to the highest four consecutive years of indemnity or additional allowance. An annual allowance shall not exceed 70% of that member's average annual indemnity and average additional allowance.

Members participating in the defined contribution component may elect to purchase a life annuity provided by the amount standing to the member's credit in the Plan. The member may elect to purchase an annuity from the Saskatchewan Pension Annuity Fund or from a private company that sells annuities.

e) **Inter-Plan Transfers**

Members of the defined benefit component may elect to transfer to the defined contribution component at any time prior to the expiration of the thirtieth day after the last return of the writ of election in the general election following the date on which they ceased to be members.

2. Significant Accounting Policies

These financial statements are prepared in accordance with generally accepted accounting principles. The following policies are considered significant.

a) **Accrual Basis of Accounting**

The financial statements are prepared on the accrual basis of accounting.

b) **Basis of Presentation**

Assets of the Plan are commingled for investment purposes. The defined contribution component is segregated by separating the annuity activity from the accounts of members who have not yet purchased annuities. For reporting purposes, the assets and investment income are allocated between the defined contribution component and the annuity activity based on their proportionate market value of the investment portfolio.

c) **Investments**

Investments in bonds and equities are recorded at market values which are determined by reference to closing year end sale prices from recognized security dealers or, in the absence of recorded sales, by reference to closing year end bid and ask prices. Transactions in bonds and equities are recorded as of the trade date. Pooled funds are recorded based on the quoted market price of underlying investments, normally the current bid price.

The change in market value of investments during the year is reflected on the financial statements in the current period as a current period change in the market value of investments.

Short-term investments are recorded at cost which approximates market value.

Fair value approximates market value of investments.

d) **Accumulated Provision for Annuities Payable**

The accumulated provision for annuities payable represents the present value of the annuities underwritten by the plan and is determined pursuant to an actuarial valuation. Any change in the liability pursuant to the valuation is recognized as an increase or decrease in that year's statement of changes in net assets available for benefits.

3. Investments

The majority of the Plan's investments are in the defined contribution component. Members of this component of the Plan bear the investment risk. The investment policy is written with the defined contribution component foremost in mind even though the annuity component has some investments. The long-term goal of the defined contribution component is to achieve a minimum annualized rate of 3% above the Canadian consumer price index. The strategy employed to achieve this long-term goal is to invest cash flows from contributions, maturing debentures and investment returns into a balance of equity and fixed income investments.

a) Interest Rate Risk

Interest rate risk refers to the adverse consequences of interest rate change on the Plan's cash flows, financial position and income. This risk arises from differences in the timing and amount of cash flows related to the Plan's assets and liabilities.

The value of the Plan's assets are affected by short-term changes in nominal interest rates and equity markets.

b) Credit Risk

Credit risk arises from the potential for issuers of securities to default on their contractual obligations to the Plan. The Plan limits the credit risk by dealing with issuers that are considered to be high quality. The credit ratings used to describe the securities below are based on the Dominion Bond Rating Service and/or the Canadian Bond Rating Service.

Short-Term Investments

Short-term investments are comprised of T-Bills and notes with effective rates of 5.1% to 6.1% (1999 - 4.70% to 4.90%) and an average remaining term to maturity of 99 days (1999 – 90). The plan's investment policy states that investments must meet a minimum investment standard for Canadian Federal, Provincial Government and corporate securities of "R1" and for Canadian grain companies an "R2 high" rating, as rated by a recognized credit rating service. No single issue represents more than 13.22% (1999 - 55.73%) of the market value of the short-term investment portfolio.

Bonds and Debentures

The Plan's investment policy states that bonds must meet a minimum quality standard of BBB as rated by a recognized credit rating service. No more than 15% of the market value of the bond portfolio may be invested in BBB rated bonds.

At March 31, 2000 the Plan held 0.24% (1999 - 0.81%) of its portfolio in BBB bonds.

(in thousands of dollars)

	2000						1999		
Years to Maturity	Federal	Provincial	Corporate	Total Market Value	Yield to Maturity at Market	Coupon Rate	Total Market Value	Yield to Maturity at Market	Coupon Rate
Under 5	$1,618	$ 499	$ 755	$2,872	5.83%	4.87-8.00	$3,951	5.35%	4.50-8.00
5 – 10	1,430	1,016	355	2,801	6.29%	5.50-8.75	1,861	4.30%	5.50-8.75
Over 10	3,270	596	292	4,158	5.87%	5.50-8.00	3,421	5.18%	5.50-7.90
Market Value	$6,318	$2,111	$1,402	$9,831			$9,233		

Actual maturity may differ from contractual maturity because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

Equities

The Plan's investment policy allows no one holding to represent more than 10% of the market value of the related equity portfolio. No one holding in the equity portfolio should represent more than 10% of the voting shares in any corporation. Foreign equities represent 0% (1999 - 22.58%) of the market value of the equity portfolio. Dividends are generally declared on an annual basis. The average effective rate is 1.82% (1999 - 2.32%).

Pooled Funds

The Plan holds units in pooled funds which have no fixed interest rate and its returns are based on the success of the fund manager.

Foreign equities including foreign pooled funds are limited to 20% of the cost of the investment portfolio and are denominated in Canadian dollars. The pooled funds are comprised of holdings in Greystone Non-North American Fund $2,276,032 (1999 - $1,690,027), Greystone Emerging Markets Fund $225,703 (1999 - $193,621), and Greystone U.S. Equity Pooled Fund $1,769,677 (1999 - $0).

4. Earnings Allocation to Members - Defined Contribution Component

Investment income plus the current year's allocation of the change in the market values of investments less administrative expenses is allocated annually to the individual members' account balances in accordance with the provisions of the governing legislation. In 2000, the earnings allocation rate was 13.56% (1999 - 4.32%).

5. Statutory Reporting Requirements

In accordance with section 42 of the Act, the following information is provided:

		2000	1999
Contributors to the Plan:	defined benefit	1	1
	defined contribution	57	54

During the year 118 superannuates and spouses received allowances (1999 - 119).

6. Obligations for Pension Benefits - Defined Benefit Component

The present value of accrued pension benefits was determined using the projected benefit method prorated on service and the best estimate assumptions approved by the Public Employees Benefits Agency. An actuarial valuation was performed as at December 31, 1998 by AON Consulting Inc. and an extrapolation was made to March 31, 1999 and March 31, 2000.

The actuarial present value of benefits at March 31 and the principal components of the change in actuarial present value during the year, were as follows:

	(in thousands of dollars) 2000	1999
Actuarial present value of accrued pension benefits at beginning of the year	$27,882	$26,844
Interest accrued on benefits	2,017	1,940
Change in valuation assumptions	(336)	1,060
Benefits accrued	72	106
Benefits paid	(2,134)	(2,068)
Actuarial present value of accrued pension benefits at end of the year	27,501	27,882
Less: Net assets available for benefits	-	-
Unfunded liability	$27,501	$27,882

The significant long-term assumptions used in determining the actuarial value of accrued pension benefits are:

	2000	1999
Interest rate	6.25%	7.50%
Salary escalation rate	3.25%	4.50%
Inflation rate	3.25%	4.50%

Section 25.1 of the Act provides for a supplementary monthly allowance effective July 1 if persons in receipt of allowances under *The Superannuation (Supplementary Provisions) Act* are awarded additional supplementary allowances in the year. The increase is a dollar amount to each superannuate of the Members of the Legislative Assembly defined benefit component equal to one-sixth of the pensionable service of the member multiplied by the sum of their pensionable service and years in receipt of pension.

The actuarial present value of accrued pension benefits contains a provision for ad hoc increases which are subject to Lieutenant Governor in Council approval. The ad hoc assumption is 100% (1999 - 100%) of CPI based on previous years' experience.

The pension liability is based on a number of assumptions about future events including: rate of salary increase, interest, inflation, ad hoc indexing, mortality, retirement rates and termination rates. The actual rates may vary significantly from the long-term assumptions used.

The following illustrates the effect of changing certain assumptions from the assumed rates of salary 3.25%, interest rate 6.25% and inflation 3.25%:

	Long-Term Assumptions					
	Salary		Interest		Inflation	
	2.25%	4.25%	5.25%	7.25%	2.25%	4.25%
Liability (decrease) increase	(.05%)	.05%	10.54%	(8.89%)	.27%	(.26%)

The pension liability is long-term in nature. The plan has no intention of settling its pension obligation in the near term and there is no market for settling its pension obligations. Therefore, determination of the fair value of the pension liability is not practicable.

The unfunded liability for the defined benefit component of the Plan is not payable immediately. The expected cash inflows from contributions and the expected cash outflows to pay the required pension obligation are calculated using the above assumptions. The net cash outflows for the next five years would be $10.3 million, in the next 10 years $20.7 million and in the next 26 years $47.1 million.

Paragraph 4(1)(c) of the Act indicates if there are insufficient monies in the Fund to pay allowances or other payments, the Minister of Finance is obligated to pay any such deficiency out of the General Revenue Fund.

7. Accumulated Provision for Annuities Payable

The accumulated provision for annuities payable is the actuarial value of the future expected annuity benefit obligations to pensioners. An actuarial valuation was performed on the annuity activity as at March 31, 2000 by AON Consulting Inc. The valuation represents the present value of the annuities underwritten by the Plan.

The interest rate assumptions were based on the interest rate agreed to when the annuity was purchased (conversion rate) for the first 15 years of the annuity and 6% thereafter. The average conversion rate for annuities presently being paid is 8.95%. Also, 80% of the 1983 Group Annuity Mortality Table mortality rates were used.

The annual change in the annuity payable is reflected in the statement of changes in net assets available for benefits. The principal components of change during the year were as follows:

	(in thousands of dollars)	
	2000	**1999**
Accumulated provision for annuities payable, beginning of year	$1,907	$1,919
Interest on accrued benefits	164	164
Annuities paid	(175)	(174)
Experience loss (gain)	4	(2)
Accumulated provision for annuities payable, end of year	$1,900	$1,907

The annuity payable is based on assumptions about future events including interest and mortality rates. The actual rates may vary significantly from the assumptions used. It is reasonably possible, based on existing assumptions, that changes in future conditions in the near term could require a material change in the annuity payable. A 1% increase in the interest rate assumption decreases the liability by $159,000 and a 1% decrease in the interest rate increases the liability by $188,000.

The accumulated provision for annuities payable is long-term in nature. The Plan has no intention of settling it in the near term. Therefore, determination of the fair value of the accumulated provision for annuities payable is not practicable.

8. Related Party Transactions

All Government of Saskatchewan agencies such as departments, corporations, boards and commissions are related since all are controlled by the Government. These financial statements include transactions with these agencies and the Plan, a pension plan established by the Government of Saskatchewan. Related party transactions with the Plan are in the normal course of operations and are recorded at the agreed upon exchange amounts charged by these organizations.

Included in bonds and debentures and investment income are Province of Saskatchewan holdings totaling $142,030 (1999 - $205,452) for bonds and debentures and investment income earned and market value adjustment of $-2,511 (1999 - $13,306). The weighted average interest rate is 5.50% (1999 – 5.50%).

Accounts balances resulting from the above transactions are included in the statement of net assets available for benefits and are settled on normal trade terms. Other transactions are disclosed separately in these financial statements.

9. Administration Expenses

The annual operating expenditures associated with the Plan's administration are paid to the Public Employees Benefits Agency Revolving Fund except for custodial fees and investment management fees which are paid directly. Custodial and investment management fees are based on market value of the Fund's portfolio.

	2000		1999	
	Budget	Actual	Budget	Actual
Administration cost – PEBA	$65,333	$ 63,058	$51,770	$ 52,216
Custodian fees - Royal Trust	-	26,148	-	24,813
Investment management fees - Greystone Capital Management Inc.	-	30,670	-	26,088
	$65,333	$119,876	$51,770	$103,117

10. Due from General Revenue Fund

The Plan's bank account has been included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan.

The Plan's earned interest totalled $4,741 (1999 - $6,881) and is calculated and paid by the General Revenue Fund on a quarterly basis into the Plan's bank account using the Government's thirty-day borrowing rate and the Plan's average daily bank account balance. The Government's average thirty-day borrowing rate for 1999/2000 is 4.79% (1998/99 – 5.04%).

11. Investment Performance

The investment manager makes day-to-day decisions on whether to buy or sell investments in order to achieve the long-term performance objectives set by the Minister. The Public Employees Benefits Agency reviews the investment performance of the Plan in terms of the performance of the benchmark portfolio over four year rolling periods. The primary long-term investment performance objective for the entire portfolio is to outperform a benchmark portfolio.

The following is a summary of the Plan's investment performance:

	2000	Rolling Four Year Average Annual Return
Plan's actual rate of return (a)	13.6%	15.1%
Target rate of return (b)	16.8%	14.3%

a) The annual returns are before deducting investment expenses.

b) The Plan's target rate of return for its investment portfolio (return on the benchmark portfolio) has been determined using the actual returns of the market indexes such as the Toronto Stock Exchange 300 Index, Standard and Poor's 500 Stock Index and the Scotia Capital Markets Universe Bond Index.

12. Fair Value

The fair value of receivables, due from General Revenue Fund, cash, due to General Revenue Fund and accounts payable approximates their carrying value due to the short-term nature of these financial instruments.

SCHEDULE 1

THE MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION PLAN
SCHEDULE OF INVESTMENT TRANSACTIONS

FOR THE YEAR ENDED MARCH 31

Investments at Market	Balance March 31, 1999	Acquisitions	Dispositions	Balance Before Change in Market Value	Market Value Change	Balance March 31, 2000
Bonds and Debentures:	$ 9,232,467	$30,394,059	$29,448,092	$10,178,434	$(347,375)	$9,831,059
Equities:						
Greystone Common Shares	3,159	-	8,221	(5,062)	5,062	-
Canadian Corporate Equities	4,865,168	1,807,982	2,375,059	4,298,091	1,638,700	5,936,791
Foreign Corporate Equities	1,969,550	228,891	2,259,607	(61,166)	61,166	-
Total Equities	6,837,877	2,036,873	4,642,887	4,231,863	1,704,928	5,936,791
Pooled Funds:						
Greystone US Equity Fund	-	1,868,462	-	1,868,462	(98,785)	1,769,677
Greystone-Emerging Markets Fund	193,621	9,258	52,000	150,879	74,824	225,703
Greystone-Non-North American Fund	1,690,027	510,884	326,500	1,874,411	401,621	2,276,032
Total Pooled Funds	1,883,648	2,388,604	378,500	3,893,752	377,660	4,271,412
Total Long-term Investments	17,953,992	34,819,536	34,469,479	18,304,049	1,735,213	20,039,262
Short-term Investments	1,413,483	16,427,113	16,339,364	1,501,232	(99)	1,501,133
Total Investments	$19,367,475	$51,246,649	$50,808,843	$19,805,281	$1,735,114	$21,540,395